

## Message Text

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FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY CANBERRA IMMEDIATE

AMEMBASSY NAIROBI IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE

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AMEMBASSY DUBLIN IMMEDIATE

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E.O. 11652: N/A

TAGS: ELAB, ILO

SUBJECT: ILO:DEPT REQUESTS CONSULTATION WITH HOST GOVT ON  
WORLD EMPLOYMENT CONFERENCE

REF: GENEVA 3960 (NOTAL)

FOLLOWING IS REPEAT STATE 126426, SENT BONN, INFO BELGRADE,  
GENEVA MAY 22:

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TAGS: ELAB, ILO

SUBJECT: ILO: CONSULTATION WITH FRG ON WORLD  
EMPLOYMENT CONFERENCE  
REF: GENEVA 3960

1. U.S., AS DOES EC 9, GENERALLY ACCEPTS DISCUSSION  
(IN BASIC WEC DOCUMENT) OF ACTIVE MANPOWER POLICIES  
AND INTERNATIONAL MANPOWER MOVEMENTS. U.S. HAS  
SPECIALIZED PROBLEM IN LATTER AREA WITH REGARD TO  
UNAUTHORIZED ALIENS, PRIMARILY MEXICAN ILLEGALS; THAT  
IS LIKELY TO BE BROUGHT UP BY MEXICO.

2. SPECIALIZATION BY DEVELOPED COUNTRIES IN CAPITAL  
INTENSIVE INDUSTRIES AND RESTRUCTURING OF INDUSTRY:  
U.S. OPPOSES ANY ACTION OBLIGATING US TO PUT OUR  
INDUSTRIES OUT OF BUSINESS SOLELY TO PROMOTE IMPORTS  
FROM LDCS. MARKET ECONOMIES CONSTANTLY ADAPTING  
THEMSELVES TO CHANGES IN MARKET CONDITIONS AND  
PROSPECTS WITH MINIMUM OF GOVERNMENT INTERVENTION. U.S.  
HAS AN ACTIVE ADJUSTMENT ASSISTANCE PROGRAM SPECIFICALLY  
TIED TO TRADE, AND THRUST OF U.S. TRADE POLICY IS IN  
DIRECTION OF LIBERALIZED EXPANDED TRADE WITH  
RESTRICTIONS IMPOSED ONLY IN EXCEPTIONAL CIRCUMSTANCES.  
IF QUESTION IS RAISED, U.S. WILL OPPOSE ANY ILO  
RECOMMENDATIONS OR GUIDELINES DESIGNED TO ENCOURAGE  
FIRMS IN DCs TO SHIFT PRODUCTION TO LDCs. U.S. POLICY  
IS THAT FREE MARKET SHOULD DETERMINE DIRECTION OF  
CAPITAL FLOWS THROUGHOUT THE WORLD TO MAXIMIZE  
ECONOMIC EFFICIENCY.

3. ESTABLISHMENT OF SOCIAL FUND:  
ASSUME THIS REFERS TO ICFTU PROPOSAL FOR INTERNATIONAL  
RECONVERSION FUND. U.S. WILL PROBABLY OPPOSE AS  
ILLADvised, AWKWARD, AND UNNECESSARY. ADJUSTMENT  
POLICIES AND OTHER ADEQUATE MANPOWER POLICIES ALREADY  
EXIST IN NEARLY ALL INDUSTRIALIZED COUNTRIES.  
APPROPRIATE FORUM FOR TRADE NEGOTIATIONS AND TRADE  
RELATED PROPOSALS IS GATT.  
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4. ILO DISCUSSION OF SOCIALIST ECONOMIES:

CRITICAL OBSERVATIONS WHICH WERE INCLUDED IN DRAFT  
DOCUMENT (ON OVERCOMPLEMENTS IN FACTORIES, FAULTY  
ALLOCATION OF MANPOWER AND NEED TO PURCHASE FOOD  
GRAINS ABROAD) HAVE BEEN ELIMINATED. WE ESTIMATE THAT,  
CONTRARY TO ILO STATEMENT, GROWTH RATES IN COMMUNIST  
COUNTRIES FROM 1966 TO 1973 HAVE IN GENERAL BEEN BELOW  
THAT OF OECD COUNTRIES AND WE WOULD WELCOME GERMAN  
DATA ON THIS MATTER AS WELL AS FOR THE CHAPTER  
GENERALLY. ILO INCORRECTLY STATES THAT SMALL SCALE  
INDUSTRY PLAYED IMPORTANT ROLE IN EARLY STAGES OF  
DEVELOPMENT IN USSR ALTHOUGH IN FACT HANDICRAFTS WERE

FORCED OUT VERY EARLY. ILO, IN SAYING WAGE STRUCTURES RELATIVELY EGALITARIAN, IGNORES PAYMENT IN KIND. ILO DOCUMENT TOTALLY IGNORES FORCED LABOR AND INTERNAL PASSPORT SYSTEM. GENERAL ESTIMATE OF CHAPTER IS THAT IT IS STRONGLY BIASED AND USELESS AS A BASIS FOR DISCUSSION.

5. ILO DISCUSSION OF LABOR MARKET ECONOMIES:  
WE FIND IT NEITHER DISAGREEABLE OR INNOVATIVE.

ILO DISCUSSION OF TRADE ADJUSTMENT ASSISTANCE:  
OUR POSITION REFLECTED ABOVE (PARA 2)

6. ILO DISCUSSION OF TECHNOLOGICAL CHOICE FOR LDCS.  
U.S. WILL OPPOSE ESTABLISHMENT OF CONSULTATIVE GROUP ON TECHNOLOGY AS BEING PREMATURE AT THIS TIME. LEVEL OF INSTITUTIONAL DEVELOPMENT IN THIS FIELD TOO WEAK.

MAJOR PROBLEM AT THIS TIME IS TO DEVELOP SUCCESSFUL WORKING REPLICABLE INSTITUTIONS AT NATIONAL OR REGIONAL LEVEL IN LDCS. CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH CITED BY ILO AS MODEL STARTED WITH STRONG INSTITUTIONAL BASE. U.S. NOT INCLINED TO SUPPORT INTERNATIONAL APPROPRIATE TECHNOLOGY UNIT AT THIS STAGE. ILO HAS NOT ADEQUATELY JUSTIFIED THE PROPOSED ACTIVITIES OR OVERALL CONCEPT. THERE MAY, HOWEVER, BE A ROLE FOR ILO IN AREA OF LIMITED OFFICIAL USE  
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APPROPRIATE TECHNOLOGY, WITHIN THE ILO'S GENERAL AREA OF COMPETENCE. DEVELOPMENT OF SCIENTIFIC AND ENGINEERING CAPACITY FOR ADVISING ON RESEARCH ON TECHNOLOGY WOULD APPEAR TO BE A SIGNIFICANT DEPARTURE FROM ILO'S EXISTING AREAS OF COMPETENCE.

USG OF COURSE TAKING MANY POSITIVE STEPS IN THIS FIELD, AND YOU MAY POINT OUT THAT THE PROPOSED NEW U.S. FOREIGN ASSISTANCE ACT LEGISLATION STATES IN SECTION 107 THAT A QUOTE TOTAL OF DOLS 20 MILLION MAY BE USED FOR ACTIVITIES IN THE FIELD OF INTERMEDIATE TECHNOLOGY (IN FY 76, 77, 78) THROUGH GRANTS IN SUPPORT OF AN EXPANDED AND COORDINATED PRIVATE EFFORT TO PROMOTE THE DEVELOPMENT AND DISSEMINATION OF INTERMEDIATE TECHNOLOGIES UNQUOTE. THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT HAS BEEN ENGAGED IN EXTENSIVE DISCUSSIONS IN THE U.S. AND ABROAD FOR THE PAST SEVERAL MONTHS TO DEVELOP A DETAILED PROPOSAL TO CARRY OUT THE INTENT OF THE NEW SECTION 107. THE PLANNING PROCESS IS WELL UNDERWAY AND THE PROPOSED IMPLEMENTATION PLAN WILL BE SUBMITTED TO CONGRESS BY JUNE 30, 1976. ALSO, SECRETARY KISSINGER STRESSED THIS AT HIS RECENT SPEECH AT UNCTAD IV IN NAIROBI.

7. PROPOSED FUTURE ROLE OF ILO OFFICE:

U.S. BELIEVES IT SHOULD BE CONFINED TO AREAS OF EXISTING EXPERTISE. ILO APPEARS TO BE TRYING TO TAKE OVER DEVELOPMENT STRATEGY WHICH IS MORE APPROPRIATE TO OTHER UN FORA. ILO COULD CONTRIBUTE CONSTRUCTIVELY TO STRENGTHENING LDC CAPACITY TO COPE WITH DEVELOPMENT IN MANAGEMENT, GOVERNMENT ADMINISTRATION, AND ORGANIZING EMPLOYERS AND WORKERS.

8. QUOTE BASIC NEEDS UNQUOTE CONCEPT:

U.S., WHILE IN ACCORD WITH DEFINING BASIC NEEDS ON NATIONAL BASIS AND CONCENTRATING ON POOR, CANNOT ACCEPT BASIC NEEDS STRATEGY AS PROPOSED BY ILO AS SOLE ROUTE TO DEVELOPMENT. ASIDE FROM UNREALISTIC ECONOMIC AND POLITICAL ASPECTS, FAILURE TO FACTOR IN POPULATION POLICY APPEARS TO BE FATAL FLAW. ROBINSON UNQUOTE. ROBINSON

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**To:** USUN N Y  
TOKYO  
OTTAWA  
CANBERRA  
NAIROBI  
EC BRUSSELS

OECD PARIS  
ROME  
LUXEMBOURG  
THE HAGUE  
LONDON  
COPENHAGEN  
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